



THE COMMONWEALTH OF MASSACHUSETTS  
OFFICE OF CONSUMER AFFAIRS AND BUSINESS REGULATION

**DEPARTMENT OF  
TELECOMMUNICATIONS & ENERGY**

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September 16, 2002

John L. Conroy  
Verizon Massachusetts  
185 Franklin Street  
Boston, MA 02110

RE: Performance Assurance Plan Audit - D.T.E. 99-271  
Extension Request

Dear Mr. Conroy:

On August 26, 2002, the Department of Telecommunications and Energy ("Department") issued a letter selecting PricewaterhouseCoopers ("PwC") as auditor for the initial Performance Assurance Plan ("PAP") audit. In that letter, the Department directed Verizon New England Inc. d/b/a Verizon Massachusetts ("Verizon") to file a copy of Verizon's executed contract with PwC by September 16, 2002. On September 6, 2002, Verizon requested an extension of time to file the executed contract. Verizon states that the reason for the requested extension is to change the month to be audited from October 2001 (which is the month identified in the original Request for Proposals) to May 2002 (the most recent month of final PAP data). Verizon requests a two week extension to file its executed contract with PwC.

Verizon also requests a clarification that it will not be required to conduct another audit of its PAP compliance for a year after the current PAP audit. The Order establishing the audit requirement states that "it is necessary that Verizon's data and reporting be audited on an annual basis, with the first audit beginning six months after Verizon enters the long-distance market in Massachusetts." Order Adopting Performance Assurance Plan, D.T.E. 99-271, at 33 (September 5, 2000). While Verizon started the audit selection process six months after entry into the long distance market, the actual audit has not yet begun and will not be completed until 2003. Verizon wants to verify that the Department will consider the current audit to satisfy Verizon's annual audit requirements under the PAP Order for the years 2001 and 2002.

The Department agrees with Verizon that use of the most recent PAP data available (which is May 2002) would give the Department an accurate view of how Verizon is currently complying with the PAP requirements. In addition, the Department agrees with Verizon that its audit of 2002 data satisfies its current audit requirements, and that Verizon would not need to audit its PAP compliance again for a year.

Therefore, the Department grants Verizon's extension request. In the event that the change in the month to be audited causes changes to the PwC proposal (including price), then Verizon is directed to file any such changes with the Department by September 13, 2002. The Department reserves its right to reopen the bidding process if it determines that any changes to the PwC proposal are unreasonable. In addition, Verizon is required to file an executed contract with PwC by September 20, 2002. Verizon is directed to initiate the bidding process for the next annual audit in the first quarter, 2003.

Sincerely,

\_\_\_\_\_/s/\_\_\_\_\_  
Paul B. Vasington, Chairman

\_\_\_\_\_/s/\_\_\_\_\_  
James Connelly, Commissioner

\_\_\_\_\_/s/\_\_\_\_\_  
W. Robert Keating, Commissioner

\_\_\_\_\_/s/\_\_\_\_\_  
Eugene J. Sullivan, Jr., Commissioner

\_\_\_\_\_/s/\_\_\_\_\_  
Deirdre K. Manning, Commissioner

cc. Mary Cottrell, Secretary  
Paul G. Afonso, General Counsel  
Michael Isenberg, Director, Telecommunications Division  
Staff as Assigned